

**MINUTES OF THE VINEYARD
REDEVELOPMENT AGENCY BOARD MEETING
October 14, 2015 - 7:00 PM**

Present

Chair Randy Farnworth
Boardmember Sean Fernandez
Boardmember Julie Fullmer
Boardmember Dale Goodman

Absent

Boardmember Nathan Riley

Staff Present: Public Works Director/Engineer Don Overson, Town Planner Aric Jensen, Town Attorney David Church, Treasurer Jacob McHargue, Town Clerk/Recorder Pamela Spencer.

Others Present: Laura Lewis with Lewis Young Robertson and Burningham, Gerald Anderson with Anderson Development.

The Vineyard Town Redevelopment Agency (RDA) held a board meeting on October 14, 2015 starting at 9:21 PM in the Vineyard Town Hall.

Regular Session - The meeting was called to order at 9:21 PM.

Consent Items

- a) July 8, 2015 Minutes

Motion: BOARDMEMBER GOODMAN MOVED TO APPROVE THE MINUTES OF THE JULY 8, 2015 RDA MEETING. BOARDMEMBER FULLMER SECONDED THE MOTION. ALL PRESENT WERE IN FAVOR. MOTION CARRIED WITH ONE ABSENT.

BUSINESS ITEMS:

2.1 DISCUSSION AND ACTION – Resolution for the Pledge of Certain Revenue
(Resolution U-2015-04)

Consideration of adoption of a Resolution of the Board of Directors of the Redevelopment Agency of the Town of Vineyard, Utah authorizing the issuance and sale of not to exceed \$16,150,000 aggregate principal amount of tax increment revenue bonds, series 2015; and related matters. The Board will take appropriate action.

Chair Farnworth gave an overview and mentioned that it would only include the \$16 million for the removal of the rail spur. He turned the time over to Laura Lewis with Lewis Young Robertson and Burningham.

Ms. Lewis explained that the Resolution would authorize the town, but did not bind or commit them to issue the bonds. She said once the contract was signed with Town Council then it would tie them together. She explained that the action tonight sets forth the necessary requirements to finalize the issuance of the bond. She said that it

would not be finalized until the bond closing. She stated that the bond is not to exceed \$16,150,000, not to exceed 11 years and not to exceed an interest rate of three (3) percent. She stated that they are currently projecting, based on the tax increment, that the repayment would be \$1.8 million a year with \$200,000 in tax increment left. She said that it would all depend on the tax increment that comes into the Town.

Gerald Anderson with Anderson Development asked if these figures were based on what they had collected this year. Finance Director Jacob McHargue replied that they were projections.

Chair Farnworth asked if the projection could be higher. Ms. Lewis replied that they left the projection flat because they knew what had been built as of January 2015.

Ms. Lewis mentioned that if they approved the resolution, a notice would be posted which would allow for a 30 day contestability period and then they could close after the final negotiations were contractually done.

Town Attorney David Church said that he reviewed the resolution and bond documents drafts which were done by the Town's Bond Council, Ballard Spahr. Ms. Lewis mentioned that the documents were available for review.

Boardmember Fernandez asked what the current interest rates were. Mr. Lewis replied that they were staying steady and explained how the market works. She mentioned that she watched the trends and felt that they would stay steady.

Ms. Lewis mentioned that the current bonds would be paid first and these bonds would be paid second. She said that in the private market the interest rate would be around eight (8) percent and felt that this was a very good transaction.

Mr. Anderson asked with the other two (2) bonds where they had made two (2) payments if they had freed up some of the increment that could be pledged somewhere else. Ms. Lewis explained how the bonds work and that they do not use rolling coverage. Mr. Church stated that the increment was spent on some of the Geneva projects. Mr. Anderson asked if this money was in addition to the \$200,000. Mr. McHargue replied that there would only be \$200,000 left.

Mr. Anderson asked if once the town signs the agreement does it not go into effect for ninety (90) days. Mr. Church replied that it would take at least ninety days to get the contract from Union Pacific (UP). He mentioned that there were other contracts that UP wanted to see first and that it would be at least ninety (90) days before they close.

Mr. Anderson asked if they would need any money up front. Mr. Church replied that at the closing there would be money paid but he was not sure how much that would be. He stated that UP was structuring a land exchange. He said that they would not be giving the town the spur until the replacement spur is accepted and tested.

Mr. Anderson asked when the money was needed. Ms. Lewis replied that the day before they close, if they knew there was another \$1million coming in then they would change the amounts and the debt service schedule. She felt that once they close, that it would be harder to get money out of people.

Mr. Anderson asked if it would be hard for UP to back out of the deal. Ms. Lewis replied that it would. She said that the day before closing, if there was a new source of money they could change the amounts. Mr. Anderson asked if this was the case even if it took six (6) months for UP to close. Ms. Lewis replied that it was.

Chair Farnworth called for a motion

Motion: BOARDMEMBER FERNANDEZ MOVED TO ADOPT RESOLUTION U-2105-04 AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$16,150,000 AGGREGATE PRINCIPAL AMOUNT OF SUBORDINATE TAX INCREMENT REVENUE BONDS, SERIES 2015. BOARDMEMBER GOODMAN SECONDED THE MOTION. ROLL CALL WAS AS FOLLOWS: CHAIR FARNWORTH, BOARDMEMBER FERNANDEZ, BOARDMEMBER FULLMER, AND BOARDMEMBER GOODMAN VOTED AYE. BOARDMEMBER RILEY WAS ABSENT. MOTION CARRIED WITH ONE ABSENT.

ADJOURNMENT

Motion: BOARDMEBER FERNANDEZ MOVED TO CLOSED THE MEETING AT 9:39 PM. BOARDMEMBER FULLMER SECONDED THE MOTION. ALL IN PRESENT WERE IN FAVOR. MOTION CARRIED WITH ONE ABSENT.

Meeting adjourned at 9:39 PM. RDA meetings to be held as needed.

MINUTES APPROVED ON: October 28, 2015

CERTIFIED CORRECT BY: /s/ Pamela Spencer
P. SPENCER, TOWN CLERK/RECORDER